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## MEDIA

## Plagiarism is rampant in China, and its media companies are raking in billions

PUBLISHED TUE, JAN 23 2018-9:27 PM EST | UPDATED TUE, JAN 23 2018-9:27 PM EST



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### KEY POINTS

- An expert in intellectual property law says that it's unambiguously against China's own rules for new media companies to commit plagiarism, but many in newsrooms there have been ignorant of the laws
- An editor for an outlet that previously copied foreign articles into Chinese said her company has instituted new rules against plagiarism as Beijing begins to crack down on intellectual property theft



Passengers using their mobile phones on the Chengdu Subway in 2017.

VCG | Getty Images

A decade ago, almost everything could be downloaded for free in [China](#): from music and books, to movies and software.

But today, there's an increasing awareness of intellectual property rights in the country, as China tops the rest of the world in patent filings. In fact, the world's second-largest economy received more patent applications than the U.S., Japan, South Korea and the European Union combined in 2016, according to the United Nations.

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### FROM THE WEB

Accordingly, there's been an increasing number of lawsuits for copyright infringement in China.

Despite all that, plagiarism is still rampant in the media industry, generating multibillion-dollar businesses.

### I should know — it's happened to me

With nearly every news article I've written for CNBC.com, within a few hours of publishing, I could easily search certain keywords and find a Chinese-language doppelgänger online.

Translated word-for-word by media companies in China and published without citing CNBC or my name, those articles often boasted millions of interactions and thousands of comments.

In March 2017, after a few of my sources complained about the misrepresentation of their words in translated versions of [a story](#) published by Chinese news websites, CNBC's legal department sent copyright infringement warnings for inappropriately republishing and falsely elaborating on CNBC's content.

Nearly all the websites removed the translated article immediately after receiving our legal letters, but my subsequent stories were still plagiarized by Chinese outlets.

In November, my article "[China's LeEco set out to change the world. Its failure has changed China](#)" was again translated and published by major Chinese portals including [Sina](#) and [NetEase](#), Beijing-based news and information content platform Jinri Toutiao, and technology news website cnBeta, which together generated more than 10,000 comments from readers.



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*Image: Chinese web portal NetEase copied CNBC's reporting directly into Chinese, adding the characters for "foreign media" at the front of the headline.*

None of those sites reached out to CNBC for content-reproduction permission, and they all violated CNBC's rights, according to Chinese intellectual property lawyers.

When reached for comment, a representative from Toutiao acknowledged the company had taken down the offending article, but they offered no explanation. Sina, NetEase and cnBeta did not return requests for comment.

It is unambiguously against the law for private digital outlets to copy a story from CNBC — or any foreign outlet — word-for-word into Chinese, according to Shao, a senior intellectual property lawyer in China, who requested not to disclose his full name due to potential conflict of interests with his law firm's clients.

### **A booming industry**

With the emergence of hundreds of news apps and information-sharing websites, China's digital media are growing quickly. According to China Internet Watch, a Singapore-based digital consulting company, China had 613 million consumers of online news in 2017. That audience demands fast information, and it craves uncensored news content.

China has such a massive audience base that successful domestic news websites have quickly become multibillion-dollar enterprises.

News app Jinri Toutiao — meaning "Today's Headlines" — raised more than \$2 billion at a valuation of over \$20 billion in its latest funding round in August 2017, according to Reuters. The app, ranked fifth overall in China by total time spent by users, prides itself on its machine learning algorithms to create personalized news feeds, which pulled in \$869 million in advertising revenue in 2016.

Along with Jinri Toutiao, China's most popular news websites and mobile apps, including [Tencent's](#) QQ.com, Sina and Sohu, are all trying to cash in on China's online news sector.

### **What's behind the plagiarism?**

"Content is king" has been one of the most cliched marketing taglines for China's new media, which, ironically, are not permitted to generate their own original news reporting on the ground in China, according to legislation.

Private digital media companies are not allowed to hire journalists in China or publish unique stories that come from domestic reporting. Instead, they can only aggregate news stories from non-digital Chinese media and state-owned digital

outlets such as Xinhuanet.com and People.cn.

To learn more about how content gets created, CNBC spoke via WeChat messenger with a web editor employed by a Chinese digital media organization.

“For new media platforms, only good stories and in-depth analytical articles can attract viewers, but we are very much troubled by not being able to get the media license for original reporting,” she said.

That editor, whose role includes writing Chinese summaries of foreign media stories, requested to remain anonymous out of concern for her career. Her employer, a financial news website, gets more than 15 million monthly active users.

Craving web traffic and the advertising dollars that follow, that website, like many of its peers in China, aggregates its stories by translating content from various western news sources, including CNBC, Bloomberg, Business Insider and TechCrunch, the editor said.

“It’s not only us. Other Chinese websites are doing the same thing,” said the financial site’s employee, who publishes about four articles every day by her estimate. “We thought translating articles would be OK, because we mentioned the name of the original source. We don’t mean to violate Western media’s copyrights.”

That sentiment was echoed by Shao, the intellectual property lawyer, who suggested that most Chinese plagiarism is due to ignorance of the law rather than disregard for it.

“Lacking of clear journalism guidance and awareness of intellectual property laws are two main reasons,” Shao told CNBC. “There’s massive demand for information in China at this information explosion era — and punishment for plagiarism could be negligible.”

Current Chinese laws, he added, are relatively lenient toward online plagiarism — with a maximum compensation of 500,000 yuan (about \$76,700) for lawsuits.

Changes to the industry, however, may be on the horizon.

### **Rights have ‘definitely’ been violated**

China’s own rules allow for its newspapers, periodicals, radio and television programs to freely show or cite already-publicized stories of another medium, except when the author has expressly prohibited the publication and broadcast thereof, according to Shao. But, he added, “news websites, including the so-called new media or digital media, are not protected by the law for the free use for reproduction of copyrighted work.”

“These Chinese websites definitely violate foreign media’s IPR [intellectual property rights] when they translate entire articles from English to Chinese,” Shao told CNBC in a phone interview conducted in Mandarin. “No matter whether these websites cite



content owners' names or not, they have no content-reproduction rights and they are not pardoned by China's IP law."

### **Time for a change?**

Since 2017, the Chinese government has imposed punishments for intellectual property infringement and counterfeiting.

During an executive meeting of China's State Council in November 2017, officials focused on the subject of intellectual property rights (IPR), concluding: "Penalties for IPR infringements will be increased and the cost of safeguarding such rights will be lowered. Quick and low-cost ways of safeguarding IPR must be expanded," according to Xinhua News Agency.

The statement added that Beijing plans to establish a system of fines for infringements, and it will step up law enforcement and judicial protection, Xinhua reported.

"Local courts are accepting more IPR cases," said Shao. "Novelists, screenwriters and journalists who feel violated of their rights are now starting to seek legal protection. In 2017, quite a few of them won lawsuits and were compensated with a large sum of money."

"Those winning cases have largely encouraged more content creators, who encounter IPR infringement, to speak out," he added.

According to Xinhua, China's State Intellectual Property Office said that 15,411 national patent administrative law enforcement cases were reported in the first half of 2017. That was reportedly a jump of 23.3 percent from the same period a year ago.

As the legal landscape shifts, digital media in China are changing their practices.

"Since October 2017, our editorial guidelines have become much stricter," the financial news web editor said. "We are no longer allowed to translate entire articles from foreign websites. Instead, when we cite foreign media, we will have to at least cite three different sources — by only summarizing and paraphrasing, not directly translating."

Chief editors at the company will conduct additional reviews for every article, checking from headlines to the bottom of the page, she said, adding that "anyone found plagiarism will be publicly criticized."

### **'Cultural confidence'**

Since his ascension to the presidency in 2012, Chinese President [Xi Jinping](#) has been pushing efforts to build what he calls "cultural confidence."

Page 6  
 IP: Plagiarism is rampant in China, and media companies profit from it  
<https://www.cnbc.com/2018/01/23/ip-plagiarism-is-rampant-in-china-and-media-companies-profit-from-it.html>

“We, the Chinese people, have greater confidence in our own culture,” Xi said during his report to the 19th Communist Party Congress in October 2017. “Cultural confidence represents a fundamental and profound force that sustains the development of a country and a nation.”

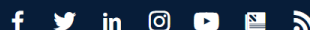
To Shao, Xi’s speech depicts a promising future for China’s intellectual property protection.

“All industries related to Chinese culture will start to flourish — mobile games, animation, movies and content providers,” Shao predicted. “They represent China’s cultural images, leading to greater capitalization and IPR protection.”

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